



# VARA News

VIRGINIA

AUTOMOTIVE RECYCLERS ASSOCIATION

December  
2004

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## President's Message

I HOPE THAT ALL VARA members, staff, and families had a blessed holiday season. We have had a productive year, and the Board and I are looking forward to serving the Association and our members during 2005.

It is hard to believe we are in the middle of the first decade of the 21st century, and we need to continue to be cognizant of the complexities of recycling issues at the national, state, and local levels that impact our business.

I am convinced that we can best address the future of our industry, united and working together, and thus allow each of us continued success in our business and in community leadership.

We will be facing challenges in the future relative to enforcement, mercury switches, storm water management plans, insurance practices and availability of parts, and, of course, frequent legislative initiatives at the state and national levels that impact our industry.

The Board will be working in each of these areas during the next year.

### Membership Goals

We also want to continue to focus on our membership. I encourage each of you to help executive director Lynwood Butner meet his aggressive goal to increase our membership by 50 this year.

Our organization is moving in the right direction and as demonstrated by those of you attending the last annual meeting, it is apparent there is renewed excitement in VARA's attitude and vision!

I challenge all current members to talk to their fellow business associates and to convey our enthusiasm and desire for everyone to come together in a positive way so that we all can continue to prosper.

If each member would bring in just ONE new business membership, we will surpass our goal!

Keep Lynwood informed of any opportunities to address perspective members individually, or as a group, to share with them our vision.

The VARA staff has been working with the Virginia Department of Mo-

tor Vehicles (DMV) and others on a number of issues that have been discussed in Board meetings or expressed by members as concerns in the group sessions conducted by Bill Weaver at the annual meeting.

Jack Bruce, Rick Morrow, and Lynwood Butner met with a representative of the insurance industry to discuss opportunities to work more closely together and to consider the acquisition of "totaled" vehicles by our members.

Also discussed was an annual meeting of representatives from the insurance industry and VARA to address mutual issues and opportunities in a proactive manner.

### Salvage Regulations

Lynwood Butner and Warren Richard met with D. B. Smit, DMV Commissioner, and staff to discuss salvage training and the enforcement of current laws and regulations as well as the timely inspection of rebuilt vehicles.

There are some opportunities to enhance our current situation and to partner with DMV for the mutual benefit of our members and the agency.

Beginning January 2005, DMV will initiate a training program for its customer service centers' staff to review the proper procedures for the salvaging and rebuilding processes.

This will insure the uniform application of laws, policies, and regulations across the state. DMV is offering to provide the same training for VARA members at no charge.

The training will be directed to individuals in our business who are responsible for complying with DMV requirements. Additional information is forthcoming.

We also are working with the Virginia Department of Environmental Quality (DEQ) on the mercury switch issue and, again, are proposing a partnership that will help our members deal more effectively with mercury switches as well as develop a model program that would be nationally recognized and enhance the leadership of VARA on the national level (see *related article on mercury switches this page*).

—S. Warren Richard, Jr.

## Removing Mercury Switches: A Voluntary Partnership Between VARA and the DEQ



The DEQ's mercury collection kit will be provided free of charge to the first 50 salvage yards that volunteer for the program.

REMEMBER HOLDING A bead of mercury in your hand as a kid? It seemed pretty harmless, right? Well actually, it probably didn't do any harm to you—in its metallic form, mercury is fairly innocuous.

But when mercury vaporizes and is dispersed in the environment, it can reach water; where it can react to form *methylmercury*.

Methylmercury is a neuro-toxin that adversely affects reproduction and development.

Methylmercury bioaccumulates in the food chain, meaning that larger fish have the potential to store increasingly larger amounts of methylmercury in their fat tissues.

Because of increasing mercury levels in the environment, pregnant women are generally advised to not eat fish. There are fish consumption advisories in various water bodies due to mercury contamination. Mercury has also been linked to autism and other nervous disorders.

It takes only a small amount of mercury to contaminate a body of water—some studies show that one gram of mercury is enough to contaminate a 20-acre lake!

For these reasons, the U.S. Environmental Protection Agency has

ranked mercury at the top of its list of "Priority Chemicals"—those which pose the greatest threat to the environment and to public health.

What does this have to do with salvage yards?

As we all know, the majority of U.S. steel comes from scrapped vehicles. The steel industry has come under increasing scrutiny due the amount of vaporized mercury that is emitted from the foundry process. They have done extensive analysis on the source of the mercury, and the source is the mercury switches in automobiles.

Mercury switches have been used in various cars for different functions; however, the vast majority are found in the light assemblies of the hood and trunk (one each) and in ABS brake systems (three-four).

The switches, generally termed "silver bullets," each contain one gram of mercury. When vehicles are scrapped, these switches can leak; however, most switches likely stay intact through scrapping, and the mercury is released during the melting of scrap to make new steel.

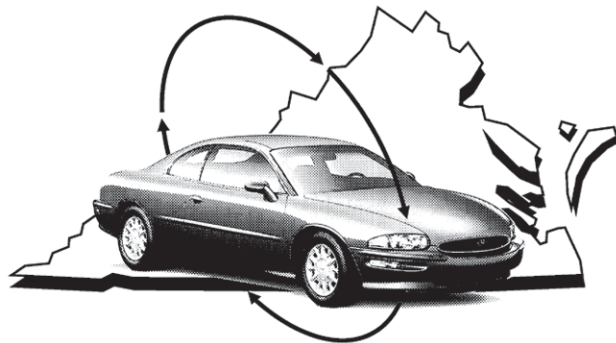
In the long-term, the most obvious way to minimize these emissions is

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## 2005 VIRGINIA GENERAL ASSEMBLY PREVIEW

**VARA lobbyists are monitoring the following legislation that will be considered by the 2005 General Assembly, which convenes January 12. This is a partial list only, as most legislation has yet to be filed.**

**HB 791 Corporate Income Taxation; Closing Loophole.** Closes a corporate income tax loophole that allowed corporations to avoid paying taxes on money paid to passive investment companies in the form of royalties, interest and other intangible income.

The loophole is closed by requiring the corporation to add back any otherwise deductible interest expenses and costs and intangible expenses and costs paid, accrued or incurred to one or more related members. Patrons: Watts, Amundson, Baskerville, Brink, Petersen, Scott, J.M. and Shuler.

**HB 811 Taxation of individuals and corporations.** Provides a flat rate of 5.5 percent for both the individual and corporate income taxes. The bill also increases the standard deduction for individual income tax purposes to \$24,000 for couples and \$12,000 for individuals.

The sales and use tax rate would be increased to 5.5 percent. The bill has a reenactment clause so it will be effective in 2006 if it passes during this session and is reenacted in 2005. Patron: Athey.

**HB 935 State-mandated health insurance; Consumer Choice Benefits Plans.** Permits companies offering accident or sickness insurance policies or plans to offer a policy or plan that does not offer or provide all of the existing state-mandated health benefits.

Each insurer or health maintenance organization providing such a benefits plan must provide a written disclosure, that must be signed by the prospective or current insured. Patrons: Marshall, D.W., Albo, Byron, Cosgrove, Drake, Hargrove, Hogan, Hugo, Hurt, May, Nixon, O'Bannon, Oder, Saxman, Sherwood, Ware, R.L. and Wright.

**HB 1249 "Out-of-Service" Inspections.** Requires local law-enforcement agencies to report to the State Police vehicles that have been ordered out of service as the result of "out-of-service" inspections by local law-enforcement officers.

State Police is to collect these reports and pass them along, together with similar information on vehicles taken out of service by

State Police officers, to the Federal Motor Carrier Administration's Safer System. Patrons: Scott, J.M., Amundson, Callahan, Hull, Petersen, Rust and Sickles; Senator: Ticer.

**HB 1418 Water Quality Improvement Fee.** Imposes a \$1 per month fee on owners of improved real property having a value of more than \$60,000. The locality will be responsible for collecting the fee and remitting the funds to the State Treasurer for deposit in the Water Quality Improvement Fund.

An additional \$1 per month fee is assessed on such property owners if they are served by a wastewater treatment facility. The locality can withhold quarterly \$10,000 or three percent of the amount due, whichever is less, to cover its administrative expenses.

Seventy percent of the funds received will be allocated for point source pollution programs and 30 percent will be used for nonpoint source pollution programs. Patron: Pollard.

**HB 1462 Solid Waste Disposal Fees.** Establishes a \$5 per ton municipal solid waste disposal fee to be collected by localities in which the municipal solid waste landfills are located.

This bill directs the host localities to retain 50 percent of the moneys collected for the abatement of pollution caused by landfills or the improper management of waste, groundwater monitoring and cleanup, litter control, recycling, or for other waste-related purposes, including solid waste management operating fees.

This bill also directs the host localities to remit 50 percent of all moneys collected to the Commonwealth to be deposited into the Landfill Cleanup and Closure Fund, the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund, and the Virginia Environmental Emergency Response Fund. Patrons: Dillard and Frederick.

**HB 1504 Business, Professional and Occupational Licensing Tax (BPOL); License Fees, Rates and Requirements.** Requires localities that impose the BPOL tax to (i) eliminate license fees by January 1, 2007, (ii) exempt the first \$100,000 of gross receipts from taxation by January 1, 2007, and (iii) reduce the several different rates currently in the Code to

a flat rate of 20 cents per \$100 of gross receipts for license years beginning on and after January 1, 2006. Patron: Shuler.

**HB 1551 Sale Price of Motor Vehicles Subject to the Motor Vehicle Sales and Use Tax.** Reduces the taxable price of a motor vehicle purchased for business purposes in determining motor vehicle sales and use tax liability, by the value of any motor vehicle taken in trade.

The amount of credit for a vehicle taken in trade is the lesser of the allowance given by the seller or the wholesale value of the vehicle as specified in a recognized pricing guide. Patron: Alexander.

**HB 1552 Sale Price of Motor Vehicles Subject to the Motor Vehicle Sales and Use Tax; Reduction for Trade-In.** Reduces the taxable price of a motor vehicle for purposes of determining motor vehicle sales and use tax liability by the value of any motor vehicle taken in trade.

The amount of credit for a vehicle taken in trade is the lesser of the allowance given by the seller or the wholesale value of the vehicle as specified in a recognized pricing

guide. Patron: Alexander.

**SB 296 Mechanics' Liens; Towing.** Ties mechanics' liens for towing and storage to provisions of § 46.2-1231 relating to requirements for posting of certain signs, providing and keeping copies of certain notices in connection with towing of trespassing vehicles.

The bill also provides for recovery of damages (treble damages in cases of willful violations) by persons whose vehicles are illegally towed away as "trespassing vehicles" and regulation of "towing operators" by the Department of Motor Vehicles. Patron: O'Brien.

**SB 418 Disposition of Unattended, Immobile, and Recovered Stolen Vehicles.** Establishes procedures for the disposition of unattended, immobile, and recovered stolen vehicles. Patron: Wagner.

**SB 655 Business License Tax Phase-Out.** Requires localities that impose the business license tax to eliminate it in 25 percent increments annually beginning no later than July 1, 2005. It also repeals the business license tax provisions effective July 1, 2008. Patron: Norment. □

## Mercury Switches

Continued from page one

to stop using mercury switches altogether.

Gradually, all of the major automotive makers have conceded and eliminated the use of mercury switches. However, in the short-term, there are still millions of vehicles out there with these switches; and most of them end up in our salvage yards.

So what can VARA members do?

Various states have developed programs that encourage or even require the removal of mercury switches.

Studies have shown that removal of the switches is relatively easy — approximately one additional minute to remove the switches from the truck and hood lighting assembly. ABS assemblies take considerably more time—from eight to 15 minutes to reach the three or four switches.

The Virginia DEQ has proposed a voluntary partnership program for salvage yards. For the first 50 salvage yards that volunteer, the Virginia DEQ will provide a "Mercury Switch Collection Kit."

The "kit" is an approved storage and shipping container that, once full, can be mailed to a pre-designated mercury-recycler as long as it contains less than 450 switches.

Typically, collection and recycling of mercury-containing materials is costly. However, for this special pilot project, the kits will be provided at no charge to the volunteering facilities.

The Virginia DEQ has developed guidance on which cars contain the switches and how to remove them.

In addition, DEQ has committed to provide "positive public recognition" to salvage yards that successfully implement the program!

This is a tremendous opportunity to prove to our communities that we are committed to protecting the environment.

If you are interested in this free, voluntary program to help the environment, please call the Association office at 434.977.3716. Additional information will be distributed in the near future. □





# My Business and the EPA's Oil Tank Rules

by Mike James, James Environmental

**S**ALVAGE AND SCRAP metal recycling facilities typically have storage tanks or containers for diesel, gasoline and used oil.

If your facility has more than 1,320 gallons of total oil storage capacity, your business falls under additional EPA rules governing the prevention of oil pollution (40 CFR 112).

The EPA's Oil Pollution Program requires that your facility develop and implement a Spill Prevention Control and Countermeasures (SPCC) Plan.

This plan is developed independently from your facility's Storm Water Pollution Prevention Plan though, in practice, many of the recommendations in one plan usually complement the other.

The EPA defines "oil" very broadly to include used oil, heating oil, gasoline, diesel fuel, lubricating and hydraulic fluids, oil mixtures and oily waste sludges.

## Does My Business Need a SPCC Plan?

Your business will need to develop a SPCC Plan if you have more than 1,320 gallons of total aboveground petroleum storage capacity (in containers of 55 gallons or larger), or more than 42,000 gallons of underground tank storage capacity in which there is a potential of oil impacting any navigable water bodies, which the EPA very broadly defines as "the Waters of the United States."

Total tank volume is calculated not by how much you normally store in containers but by the total storage capacity of all tanks, totes, drums and equipment greater than or equal to 55 gallons.

When these product containers are summed up, it is very easy to exceed the 1,320 gallon threshold for aboveground oil storage containers.

If you find that you have greater than 1,320 gallons of storage capacity but use or need less than this capacity to operate your business, you should consider reducing or eliminating the unneeded or oversized storage containers.

If, on the other hand, there is no practical way to operate your facility with less than 1,320 gallons of oil storage capacity, then you will need to develop a SPCC Plan to be in compliance with the EPA's Oil Pollution rules.

## SPCC Plan Development Requirements

A SPCC Plan should already be in place for all facilities requiring it, however; all SPCC Plans must be modified by February 18, 2006 to ensure compliance with the most recent EPA oil tank rules.

The terms of the SPCC Plan, such as the construction of secondary containment structures, installation of new tanks and support equipment, etc., must be completed as soon as possible, but no later than August 17, 2006.

All SPCC Plans must be stamped by a Certified Professional Engineer (PE) and reviewed by a PE at least once every five years.

## Resources

You can contact us at James Environmental Management, Inc. for additional discussion of this topic or you can look at the EPA website [www.epa.gov/oilspill/spcc.htm](http://www.epa.gov/oilspill/spcc.htm). □

# Automotive Retailing Today to Gather Key Industry Data on Career Opportunities

**T**he U.S. Department of Labor's Employment and Training Administration announced a \$150,000 grant to *Automotive Retailing Today* (ART) as part of the Administration's High Growth Job Training Initiative to build America's auto dealership workforce.

Through the grant, ART and its partners will gather, validate and deliver information and data about career opportunities in the automotive industry to career-related websites and to public workforce development professionals.

This information will describe viable and exciting career opportunities; connect job seekers to training opportunities and job openings in the field; and dispel negative presumptions that the general public may have about the industry.

"The automotive services sector faces the critical challenge of developing a pipeline of skilled workers for jobs that will be available in the industry," said Assistant Secretary of Labor for Employment and Training Emily Stover DeRocco.

"*Automotive Retailing Today* has shown its commitment to educating young people and workers about new and exciting careers in this evolving field by providing industry data and information to the public workforce system that will help connect job seekers to training opportunities and job openings in the automotive industry."

ART has a strong history of pro-

viding leading-edge auto retail career information.

In February 2004, ART introduced [www.autojobstoday.org](http://www.autojobstoday.org), a dedicated online resource that serves as a clearinghouse for auto industry service technician career program information.

Designed and launched in collaboration with military and education professionals, as well as with the Department of Labor, [www.autojobstoday.org](http://www.autojobstoday.org) includes information on careers, salaries and training.

"We're very excited about continuing our partnership with the Department of Labor," said Alan Starling, chairman of ART.

"Together we can attract qualified workers to America's auto dealerships, educate the public on the many available career opportunities and benefits, and build a ready workforce for America's franchise auto dealerships."

ART, a coalition of all major automobile manufacturers and dealer organizations, works to narrow the gap between perception and reality of today's franchised automobile dealers among the media and consumers.

Another goal of ART is to promote a better understanding of dealer sales and service business practices, career opportunities, and contributions to the community.

For more information, visit [www.autoretailing.org](http://www.autoretailing.org). □

**Got news? Email us at [easter@easterassociates.com](mailto:easter@easterassociates.com) or telephone 434.977.3716.**

## Easter Associates Earns Top Industry Accreditation

EASTER ASSOCIATES, INC., a leading Virginia trade association management and government relations firm, has earned the association management profession's highest accreditation status.

Founded in 1976 by current chairman Peter Easter, CAE, the company represents more than a dozen corporate and trade association clients, including the Virginia Automotive Recyclers Association, the Virginia Association of Broadcasters, the Virginia Ready-Mixed Concrete Association, and the Virginia Propane Gas Association.

In addition, the company provides state government relations services for one the country's largest cellular phone companies and has 15 professional and administrative employees, five of whom are registered lobbyists.

The American Society of Association Executives (ASAE) awarded formal accreditation to the Charlottesville-based firm, which also has offices in Richmond.

Less than five percent of association management firms in the country hold that accreditation.

"Our team is extremely proud and honored to achieve accreditation," stated company president Doug Easter.

"The process was rigorous and detailed and the results confirm our commitment to providing quality management and government relations services to our clients."

ASAE, headquartered in Washington, DC, is dedicated to enhancing the knowledge and competency of association executives, promoting excellence in association management, and helping organizations better serve their members.

Founded in 1920, its 26,000-plus members manage leading trade associations, professional societies, and philanthropic organizations across the country.

ASAE's accreditation program was established to identify practices indicative of high quality management companies, assess the procedures and practices of individual firms, and improve the quality of services. □